REMARKS

This is in response to the Office Action mailed on April 23, 2004, and the references cited therewith.

Claims 3, 4, 11, 15 and 17 are amended, claims 1, 2, 10 and 14 are canceled without prejudice or disclaimer, and claims 21-23 are added; as a result, claims 3-9, 12, 13 and 15-12 are now pending in this application.

§103 Rejection of the Claims

Claims 1-3, 10, 14, and 17-20 were rejected under 35 USC § 103(a) as being unpatentable over Yeung et al., (U.S.6,668,246) in view of Rhodes et al., (U.S. 6,636,615).

Applicant has canceled claims 1, 2, 10 and 14 without prejudice or disclaimer. Applicant believes claims 1, 2, 10 and 14 are allowable and reserves the right to reintroduce claims 1, 2, 10 and 14 in a continuing application.

Applicant has amended claim 3 to depend from claim 4. As noted below, claim 4 has been rewritten as suggested in the Office Action and is now in a form indicated to be allowable by the Examiner. Because claim 3 depends from an allowable base claim, Applicant respectfully submits that claim 3 is also allowable.

Similarly, claims 17-20 have been amended to depend either directly or indirectly from claim 15. As noted below, claim 15 has been rewritten as suggested in the Office Action and is now in a form indicated to be allowable by the Examiner. Because claims 17-20 depend from an allowable base claim, Applicant respectfully submits that claims 17-20 are also allowable.

Allowable Subject Matter

Claims 4-9, 11, 12, 13, 15 and 16 were objected to as being dependent upon a rejected base claim, but were indicated to be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicant has amended claims 4, 11 and 15 as suggested in the Office Action. Applicant respectfully submits that claims 4-9, 11, 12, 13, 15 and 16 remain allowable.

Title: TRANSACTIONAL WATERMARKING

New Claims 21-23

New claims 21-23 depend directly or indirectly from amended claim 11. As noted above, Applicant has amended claim 11 to be in a form indicated to be allowable. Applicant respectfully submits that because claims 21-23 depend from an allowable base claim, claims 21-23 are also allowable.

Conclusion

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 373-6954 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

AHMED H. TEWFIK ET AL.

By their Representatives,

SCHWEGMAN, LUNDBERG, WOESSNER & KLUTH, P.A. P.O. Box 2938

Page 8

Dkt: 1064.002US1

Minneapolis, MN 55402

(612) 373-6954

Date Ocholar 25 2009

Kedner C. Lacy

Rodney L. Lacy Reg. No. 41,136

<u>CERTIFICATE UNDER 37 CFR 1.8:</u> The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this <u>25th</u> day of <u>October, 2004</u>.

Name

Signature